

THE TORONTO STOCK EXCHANGE

10/8/72

FILING STATEMENT NO. 1843
FILED, SEPTEMBER 12, 1972.

ISO MINES LIMITED

Full corporate name of Company

Incorporated under the laws of Ontario by Letters Patent dated October 23, 1952, and Supplementary Letters Patent dated July 30, 1956 and dated August 28, 1959.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953

(Ontario) by Letters Patent dated May 1st, 1957). Reference is made to previous

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.

(1) The company has entered into an agreement with Teck Corporation Limited (Teck) under which Teck will incur expenditures of \$300,000 on exploration of the company's properties during the 12 month period July 1st, 1972, to June 30th, 1973. In addition, Teck, in its absolute discretion, may incur expenditures on the exploration of the company's properties of up to \$300,000 in each of the next four successive 12 month periods.

In respect of the expenditures incurred during the 12 month period commencing July 1st, 1972, the company will issue to Teck 150,000 shares of the company at \$2.00 per share. In respect of expenditures incurred during each of the next four successive 12 month periods Teck has the right to acquire shares up to the value of the expenditures so incurred in any period but not exceeding \$300,000 in any period and to apply expenditures against the purchase price. The price at which Teck may acquire shares shall be determined by taking the average price on The Toronto Stock Exchange for the 90 day period prior to exercise less allowable underwriting discounts.

In addition to the above, the company has granted to Teck options to acquire \$150,000 worth of shares for each \$300,000 of expenditures incurred on the company's properties. The price for the shares under option will be determined in the same manner as for shares taken down in consideration of exploration expenditures during the respective 12 month period.

Teck must notify the company prior to the end of each exploration period whether or not it will make the expenditure for the following period and may not so elect unless the full \$300,000 expenditure has been made for the current period.

This agreement was approved by the shareholders of the company at the Annual and Special General Meeting held on July 31st, 1972.

(2) The company and Teck Corporation Limited (Teck) through their nominee Nome Securities Limited together have recently purchased on the open market and privately over 50% of the shares of Afton Mines Limited (Afton) with the shares being 35% owned by the company and 65% owned by Teck. The company's interest is 462,603 shares which were purchased for \$6,435,314. The shares and those held by Teck are subject to an agreement between the company and Teck under which both parties have agreed to vote their shares to elect nominees to the board of directors of Afton in proportion to their share interest in that company.

2. Head office address and any other office address.

Suite 4900, Toronto-Dominion Centre, Toronto 111, Ontario.

3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.

See Schedule "A" on page 3.

4. Share capitalization showing authorized and issued and outstanding capital.

5,000,000 shares of the par value of \$1.00 each. Issued and outstanding capital 3,250,005 shares.

5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	The company's indebtedness to its Bank is secured by the pledge of certain of its securities to the Bank.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	See Schedule "B" on page 4.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Teck Corporation Limited, Suite 4900, Toronto-Dominion Centre, Toronto 111, Ontario.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The company plans to continue to be active in exploration in British Columbia, Ontario, Quebec and Newfoundland in Canada and in Nevada and Arizona in the United States. This work will include participation in air-borne electromagnetic syndicates in Eastern Canada.
10. Brief statement of company's chief development work during past year.	<p>During 1971, Iso provided funds for a number of exploration projects for its own account and for the account of Iso Nevada Limited (100% owned) and Iso Explorations Limited (80% owned).</p> <p>The principal projects included geochemical and geological surveying and drilling of a molybdenum prospect in central British Columbia (Reed Lake Project); underground exploration programme on a bismuth prospect in northern British Columbia (Della Mines Project); preliminary work on a copper-zinc prospect on Vancouver Island (Yreka Project); and drilling of a porphyry copper prospect in Nevada (Spot Project).</p> <p>The company also examined a number of other properties and submissions from Arizona, Nevada, British Columbia and the Yukon during the year and carried out exploration on some of these.</p>
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	N/a
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	N/a
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	N/a

SCHEDULE "A"

ISO MINES LIMITED

<u>Name and Office Held</u>	<u>Present Principal Occupation or Employment</u>	<u>Address</u>
N. B. KEEVIL, JR. (President and Director)	Dr. Keevil Jr. is Executive Vice-President and a member of the Executive Committee for Teck Corporation Limited and Vice-President and a Director of Copperfields Mining Corporation Limited.	40 Glen Edyth Place, Toronto 190, Ontario.
J. H. WESTELL (Vice-President and Director)	Mr. Westell is Treasurer and a member of the Executive Committee of Teck Corporation Limited and is Vice-President, Administration, of Keevil Mining Group Limited.	13 Ashley Park Road, Islington, Ontario.
W. R. BERGEY (Vice-President, Exploration, and Director)	Mr. Bergey is Western Exploration Manager for Teck Corporation Limited and associated companies. Before this he was senior Geologist for King Resources Limited and prior thereto was a Consulting Geologist.	5746 Cranley Drive, West Vancouver, British Columbia.
J. C. FRANTZ (Director)	Mr. Frantz is Exploration Manager for Teck Corporation Limited and associated companies. Before this he was Exploration Geologist for Geophysical Engineering & Surveys Limited.	131 Cactus Avenue, Willowdale, Ontario.
R. A. CRANSTON Q.C. (Director)	Mr. Cranston is a partner in the law firm of Lang, Michener, Cranston, Farquharson and Wright.	220 Cortleigh Boulevard, Toronto 12, Ontario.
C. G. McCARTNEY (Director)	Mr. McCartney is a Consulting Geologist and until February 10th, 1971, was Vice-President of the Corporation.	20 Avoca Avenue, Apt. 2001, Toronto 190, Ontario.
A. C. NIXON (Director)	Mr. Nixon is the President of the American Chemical Society and prior thereto was a chemist with the Shell Oil Company.	2727 Marin Avenue, Berkeley, California, U.S.A.
W. H. MAEDEL (Secretary)	Mr. Maedel is the Secretary of Teck Corporation Limited and various other corporations in the Keevil Group of Companies and President of Broulan Reef Mines Limited. Prior thereto he was Vice-President of Broulan Reef Mines Limited.	98 Highborne Road, Toronto, Ontario.

SCHEDULE "B"

1. On November 4th, 1969, the Company granted to Garnet C. McCartney as senior officer of the Company a stock option for the purchase of 50,000 shares at \$1.97 per share, expiring November 4th, 1979.

2. The Company has granted to Teck Corporation Limited (Teck) the following rights and options with respect to expenditures to be made by Teck under an agreement made as of the 6th day of March, 1972, and the Company is to accept such expenditures as consideration for the issue of such shares:

- a) With respect to the \$300,000 expenditure to be made prior to June 30th, 1973, the right to acquire 150,000 shares to be issued at the rate of \$2.00 per share, provided that Teck gives notice of its intention to acquire such shares prior to the 30th day of September, 1973;
- b) With respect to the expenditures incurred by Teck in the four subsequent 12 month periods, the right to acquire shares to the value of expenditure made up to \$300,000 in each period, such shares to be issued at the rate per share equivalent to the lowest price permissible in accordance with the then current regulations of the Toronto Stock Exchange relating to underwriting discounts based upon the average quoted market price on the Toronto Stock Exchange of the shares for the 90 day period prior to notice of the exercise of the right, which notice must be given within 90 days of the end of the exploration period.

In addition to the above the Company has granted to Teck the option to acquire \$150,000 worth of shares for each \$300,000 of expenditures incurred on the following basis:

- i) With respect to the \$300,000 expenditure to be made prior to the 30th day of June, 1973, the option to acquire \$150,000 worth of shares at a price of \$2.00, upon notice given within 90 days from the day notice is given that Teck will acquire shares for the expenditure.
- ii) With respect to the expenditures of \$300,000 in each of the four subsequent 12 month periods, the option to acquire shares to a value of \$150,000 for each 12 month period at a price per share equal to the price per share, which shares shall be issued to Teck in consideration of the expenditure incurred, which options may be exercised within 90 days from the day upon which Teck has given notice that it will acquire shares for the completion of its expenditures for that particular period. The options for each 12 month period after the first may only be exercised provided the full expenditure of \$300,000 is made for the prior 12 month period.

FINANCIAL STATEMENTS

ISO MINES AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

JUNE 30, 1972

	<u>June 30, 1972</u>	<u>Dec. 31, 1971</u>	<u>Increase or (Decrease)</u>
ASSETS			
<u>Current</u>			
Cash	\$ 45,211	\$ 11,110	\$ 34,101
Accounts Receivable	5,886	13,801	(7,915)
Prepaid Expenses	<u>1,011</u>	-	<u>1,011</u>
	52,108	24,911	27,197
<u>Investments</u>			
Marketable Securities at cost	439,814	440,954	(1,140)
Marketable Shares in Associated Companies	6,435,314	-	6,435,314
Unquoted Shares & Advances to Other Mining Companies	<u>413,313</u>	<u>408,314</u>	<u>4,999</u>
	7,288,441	849,268	6,439,173
<u>Fixed - At Cost</u>			
Field Equipment	16,858	16,612	246
Office Equipment & Leasehold	<u>17,955</u>	<u>17,955</u>	-
	1,813	34,567	246
<u>Other - At Cost</u>			
Option Payments	991	-	991
Deferred Exploration & Administration	<u>546,443</u>	<u>462,293</u>	<u>84,150</u>
	547,434	462,293	85,141
	<u>\$ 7,922,796</u>	<u>\$ 1,371,039</u>	<u>\$ 6,551,757</u>
LIABILITIES			
<u>Current</u>			
Bank Loan Secured	\$ 6,860,000	\$ 555,000	\$ 6,305,000
Accounts Payable	<u>25,559</u>	<u>32,985</u>	<u>(7,426)</u>
	6,885,559	587,985	6,297,574
Advances Payable	3,335	28,335	-
<u>Shareholders' Equity</u>			
Capital			
Authorized:			
5,000,000 shares of \$1 par value			
Issued & fully paid			
3,250,005 shares	3,250,005	3,250,005	-
Less: Discount thereon	<u>2,275,000</u>	<u>2,275,000</u>	-
	975,005	975,005	-
Surplus	<u>33,897</u>	<u>(220,286)</u>	<u>254,183</u>
	1,008,902	754,719	254,183
	<u>\$ 7,922,796</u>	<u>\$ 1,371,039</u>	<u>\$ 6,551,757</u>

Director

Director

ISO MINES AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 1972

	<u>June 30, 1972</u>	<u>June 30, 1971</u>
<u>Source of Funds</u>		
Net income for the period	\$ 122,720	\$ 139,044
Proceeds on sale of securities	132,603	150,791
Proceeds on sale of fixed assets	-	12,300
	<u>255,323</u>	<u>302,135</u>
<u>Application of Funds</u>		
Deferred development and administration	\$ 84,150	\$ 112,962
Option payment	991	1,940
Purchase of fixed assets	246	1,700
Purchase of marketable securities	6,435,314	-
Investment in exploration companies	4,999	12,950
	<u>\$ 6,525,700</u>	<u>\$ 286,388</u>
Increase (decrease) in working capital	\$ (6,270,377)	\$ 15,747
Working capital (Deficiency) January 1	\$ (563,074)	\$ (471,667)
Working capital (Deficiency) June 30	\$ (6,833,451)	\$ (455,920)

CONSOLIDATED STATEMENT OF OPERATIONS

FOR SIX MONTHS ENDING JUNE 30/72

	<u>June 30, 1972</u>	<u>June 30, 1971</u>
Income		
Dividends Received	\$ 185,350	\$ 183,978
Expenses		
General & Administrative	62,630	44,934
Net Income for the Period	<u>\$ 122,720</u>	<u>\$ 139,044</u>

CONSOLIDATED STATEMENT OF SURPLUS & DEFICIT

FOR THE SIX MONTHS ENDING JUNE 30, 1972

	<u>June 30, 1972</u>	<u>June 30, 1971</u>
Balance, January 1 (Deficit)	(220,286)	(387,914)
Loss in Disposal of Equipment	14,106	(402,020)
Add, Net Income for the Period	122,720	139,044
Profit on Sale of Investments	<u>131,463</u>	<u>149,036</u>
	<u>254,183</u>	<u>288,070</u>
Balance, June 30, 1972	<u>\$ 33,897</u>	<u>\$ (113,940)</u>

15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.

FIVE LARGEST SHAREHOLDERS (REGISTERED)

NO. OF SHARES

1. Teck Corporation Limited Suite 4900 Toronto Dominion Centre Toronto 111, Ontario.	1,269,195
2. Richardson Securities of Canada 28th Floor 1 Lombard Place Winnipeg 2 Manitoba	147,445
3. Walwyn, Stodgell & Company Limited 110 Yonge Street Toronto Ontario	107,850
4. Doherty, Roadhouse & McCuaig Simpson Tower Toronto Ontario	98,675
5. L. G. Beaubien & J.L. Levesque Inc., 360 St. James Street West Montreal 1 Quebec	61,000

The undersigned do not know the names of the beneficial owners of the shares registered in the name of Richardson Securities of Canada, Walwyn, Stodgell & Company Limited, Doherty, Roadhouse & McCuaig and L.G. Beaubien & J.L. Levesque Inc.

The shares registered in the name of Teck Corporation Limited are beneficially owned by it.

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.

Teck Corporation Limited, Suite 4900, Toronto-Dominion Centre, Toronto 111, Ontario.

17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.

CONSOLIDATED STATEMENT OF INVESTMENTS

JUNE 30, 1972

<u>Security</u>	<u>No. of Shares</u>	<u>Cost</u>	<u>Market</u>
<u>Marketable Securities</u>			
Mattagami Lake Mines Ltd.	271,200	81,360	9,119,100
Orchan Mines Ltd.	85,700	116,285	342,800
Teck Corporation Ltd. Class "B"	29,000	156,836	133,400
Dumagami Mines Ltd.	470,666	85,333	117,667
		<u>439,814</u>	<u>9,712,967</u>

Marketable Securities in Associated Companies

Afton Mines Ltd.	462,603	<u>6,435,314</u>	<u>4,857,332</u>
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Shares and Advances to other Mining Companies

Dumagami Mines Ltd. - Advance	14,730
Keevil Mining Group Ltd.	50
Little Rocky Holdings Ltd.	360,757
Axel Mines Ltd.	400,000
Della Mines Ltd.	646,750
Plateau Metals & Industries	120,000
Miscellaneous	8
	<u>413,313</u>
Total Investments	<u>7,288,441</u>
	<u>14,601,499</u>

18. Brief statement of any lawsuits pending or in process against company or its properties.	There are no lawsuits pending against the company or its properties. The company is a shareholder of Afton Mines Limited and legal proceedings have been instituted by Teck Corporation Limited in the Province of British Columbia on behalf of all shareholders of Afton Mines Limited against the directors of the company relating to an agreement with Canex Exploration Limited.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	<p>Exploration Agreement between ISO Explorations Limited, Axel Mines Limited and Frank M. McMahon dated 26th May 1970.</p> <p>Property Option Agreement between ISO Explorations Limited and Green Eagle Mines Limited dated 13th May 1971.</p> <p>Option Agreement between ISO Explorations Limited and Plateau Metals Limited dated 31st July, 1968.</p> <p>Option Agreement between ISO Mines Limited and NORAUDEX Inc. dated 28th May, 1970.</p> <p>Agreements between ISO Explorations Limited and Della Mines, et al.</p> <p>Agreement dated 28th March, 1968, with W.D. Brady.</p> <p>Agreement between ISO Mines Limited, Teck Corporation Limited and Nome Securities Limited, dated as of t 31st day of May, 1972, relating to purchase of shares in Afton Mines Limited.</p> <p>The following agreements, which were described in the previous filing statement of the company filed February 3, 1971, have now been terminated or are no longer material to the affairs of the company.</p> <p>1. Lease of the Vancouver office, which terminates on November 30th, 1973.</p> <p>2. Lease of premises in the Royal Bank Building, Toronto</p> <p>3. Lease and Option between Kenneth R. Palosky and Joan Palosky to ISO Nevada Limited dated October 15th, 1969, with two Amendments.</p> <p>4. Lease and Option agreement between the Paloskys and ISO Nevada Limited dated June 12th, 1970.</p> <p>5. Agreement made the 6th day of October, 1970, between ISO Explorations Limited and Canadian Explorations Limited.</p>
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. No shares of the company are in the course of primary distribution to the public.

DATED 31st July, 1972
CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"J.H. Westell."

CORPORATE
SEAL

"J.C. Frantz"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)